

## Markets

<b>SFE 200 Futures</b> (9.30am AEST)	<b>5859</b>	<b>-19</b>	<b>-0.3</b>
<b>NZX 50</b>	8050	-74	-0.9
<b>DJIA Futures</b>	23113	-1	0.0
<b>S&amp;P 500 Futures</b>	2560	0	0.0
<b>NASDAQ Futures</b>	6094	-4	-0.1

## Local Markets Commentary

The Australian market opens Friday trade on mixed overnight commodities and uninspiring equities leads.

Regionally, **China's** National Congress continues and **Japan** heads towards Sunday's general election. **New Zealand's** markets in the meantime have been reacting to an uncertain parliamentary environment.

In overnight commodities trade, **oil** swung lower and **US gold** futures turned moderately higher. **Iron ore** (China port, 62% Fe) fell.

LME **copper** continued lower for a third consecutive session. **Nickel** and **aluminium** turned higher, however.

The **\$A** remained in a relatively narrow band, after trading beyond US78.70c early yesterday evening.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	<b>23163</b>	5	<b>0.0</b>
<b>S&amp;P 500</b>	2562	0.8	<b>0.0</b>
<b>NASDAQ</b>	6605	-19	<b>-0.3</b>
<b>FTSE 100</b>	7523	-20	<b>-0.3</b>
<b>DAX 30</b>	12990	-53	<b>-0.4</b>
<b>Shanghai Comp</b>	3370	-12	<b>-0.3</b>

## Overseas Markets Commentary

Major European and US equities markets mostly fell on opening overnight, before some notable recoveries.

Traders pushed through speculation on Russia's leadership aspirations, Spain's plans to suspend the autonomy of independence-seeking Catalonia, some heightened sensitivity on the anniversary of the 1987 markets crash, and a cocktail of corporate news and earnings reports.

Early evening AEDST, China's central bank governor had been reported as having warned against blind economic and market optimism.

In the **US**, weekly new unemployment claims surprised with a 22,000 fall to the least in more than 40 years. The four-week moving average also declined by more than anticipated, 9500.

A Philadelphia region manufacturing rose by four to 27.9, against expectations of a pullback to 20.2.

In the **UK**, September retail sales disappointed, rising 1.2% following forecasts of a 2.1% gain.

**Tonight** in the US, **Federal Reserve** chair Janet Yellen is scheduled to speak publicly regarding post-financial crisis monetary policy.

September existing home sales are also due.

## Today's Stock Watch

### Insurance Australia Group (IAG)

Update keenly anticipated at today's AGM.

### Sydney Airport (SYD)

Passenger numbers grew 2% during the September quarter, supported by 7.1% international growth. Domestic numbers fell 0.8%.

For the year-to-date, overall passenger numbers are 3.5% higher than a year ago, on a 7.6% improvement in international totals and 1.2% for domestic.

### Macquarie Atlas Roads (MQA)

Macquarie Infrastructure Corporation CEO James Hooke will be MQA's next CEO, when Peter Trent steps down, effective 1 February 2018.

Mr Trent has been MQA CEO since the company's December 2009 listing.

September quarter weighted toll revenue rose 4.0% year-on-year, and total traffic by 2.5%. Individual statistics lodged this morning.

### NRW Holdings (NWH)

\$57M of new contracts and/or extensions secured by NWH subsidiary Action Drill & Blast.

### Clean Seas Seafood (CSS)

Resuming from suspended trade having completed an oversubscribed \$7M institutional placement at 6c per share. CSS will conduct an \$8.9M one-for-10 rights issue at the same price.

CSS last traded at 7.3c.

## Resources

### BHP Billiton (BHP)

Yesterday evening's London AGM chairman and CEO speeches lodged this morning.

The Melbourne AGM is scheduled for 16 November, after which combined shareholder vote results will be published.

### Mt Gibson Iron (MGX)

Sold 840,000t of iron ore during the September quarter, for \$43M FOB.

All-in cash costs fell 27% for the quarter to \$46/t FOB.

Holding \$507M worth of cash and liquid investments, against \$447M as at 30 June.

Expecting to sell 3.5Mt - 3.8Mt at a \$47/t - \$52/t all-in cash cost during FY 2018.

### Atlas Iron (AGO)

Shipped 3Mt of iron ore during the September quarter for \$60/t CFR. \$93M cash on hand. \$A37/t FOB cash cost and \$A55/t CFR full cash cost.

AGO shipped 3.1Mt during the June quarter, with a \$36/t C1 cash cost FOB and \$52/t full cash cost CFR.

### Alkane Resources (ALK)

Produced 24,122oz of gold at a \$A982/oz AISC during the September quarter.

Sold 21,610oz at \$A1685/oz, for \$36.4M revenue.

4500oz remain hedged at \$A1720/oz.

\$53.3M cash.

Baker Hughes, Daimler, Ericsson, General Electric, Honeywell, Procter & Gamble and Schlumberger are scheduled to report earnings.

In overnight corporate news, **Adobe Systems'** improved guidance pushed the stock 12% higher, supporting some intra-session recovery in US equities trade.

**Apple** fell 2% on reports new iPhone 8 demand is not expected to match expectations, and that component orders would be reduced.

**eBay** also suffered on what was perceived as an uninspiring quarterly report.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Dec)</b>	<b>1290</b>	oz	7	0.5
<b>Silver (NY) (Sep)</b>	17.3	oz	0.3	1.6
<b>Gold (LON)</b>	1280	oz		
<b>Platinum</b>	922	oz	3	0.3
<b>WTI Crude (Nov)</b>	<b>51.3</b>	bbl	-0.75	-1.4
<b>Brent Crude (Nov)</b>	<b>57.2</b>	bbl	-0.92	-1.6
<b>Iron Ore</b> (CHN port 62%)	<b>60.9</b>	t	-1.8	-2.9
<b>Copper</b>	<b>6967</b>	t	-23	-0.3
<b>Nickel</b>	11740	t	90	0.8
<b>Aluminium</b>	2153	t	32	1.5
<b>Lead</b>	2470	t	-52	-2.1
<b>Zinc</b>	3114	t	-7	-0.2
<b>Tin</b>	19850	t	-230	-1.2
<b>CBT Wheat (Dec)</b>	<b>4.33</b>	bshl	0.03	0.8

### Commodities Commentary

**Oil** – international production and related announcements were in no short supply yesterday and overnight.

Iraq announced expectations for Kirkuk's oil output to resume at normal levels by early next week.

Chevron in the meantime suspended petroleum exploration activity in Iraq's Kurdistan.

In addition, Royal Dutch Shell lifted a force majeure in Nigeria.

A weekly US petroleum rig count is due tonight.

**Gold** – an early fall in equities sentiment and a slight \$US pullback supported overnight gold trade.

**Base metals** – contagion from risk-off sentiment in early equities trade, appeared to impact LME considerations.

**China's** September quarter GDP (+6.8%), September industrial production (+6.6%), fixed asset investment and retail sales (+10.3%) figures, reported earlier yesterday, were considered encouraging.

Likewise, Japan's headline September trade figures.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7879	0.0005	0.06
<b>EUR – USD</b>	1.1847	0.0002	0.01

### US Data Tonight

Existing home sales Sep

### Other Overseas Data Today & Tonight

**UK** Public sector finances Sep

## Pre-Open Announcements

### Adairs Ltd (\* ADH)

ADH has chosen to pay a \$66,000 AISC penalty despite admitting no liability. ASIC alleged a disclosure breach. ADH did not agree with the determination but wanted to limit costs associated with the matter.

### Michael Hill International (MHJ)

Incoming MHJ CFO Andrew Lowe will also be appointed interim company secretary, due to the resignation of current company secretary Mary-Anne Greaves, effective 15 December.

## Resources

### BC Iron (\* BCI)

513.1Mt haematite and goethite iron ore resources and 247.3Mt reserves. In addition, Maitland River magnetite iron resources are estimated at 1.1Bt. Details lodged just prior to yesterday's ASX close.

### Pursuit Minerals (\* PUR)

Heralding Queensland Paperbark zinc-lead project Stonemouse prospect rock chip sampling results.

PUR purchased the project from Teck Australia, which holds 19.9% of PUR.

### Altech Chemicals (ATC)

Design finalised for ATC's planned capacity upgrade of the high purity alumina plant in Malaysia. ATC is targeting 4500tpa capacity, from 4000tpa.

### Apollo Consolidated (AOP)

Heralding Rebecca gold project Bombora 161 Lode RC assays, lodged this morning.

### AngloGold Ashanti (\* AGG)

Restructuring its African holdings with some agreed sales. Details lodged post-trade yesterday.

## Energy

### Z Energy (ZEL)

Founding ZEL and energy director Paul Fowler is retiring from the ZEL board 31 October.

### Trading Halts

Company	Code	Resuming
CFOAM Ltd	CFO	20 Oct
KNeoMedia Ltd	KNM	20 Oct
Magnum Gas & Power	MPE	20 Oct
Tawana Resources	TAW	20 Oct
Techniche Ltd	TCN	20 Oct
Xstate Resources	XST	20 Oct
eSense-Lab Ltd	ESE	23 Oct
Estrella Resources	ESR	23 Oct
Arafura Resources	ARU	24 Oct
BWX Ltd	BWX	24 Oct

### Suspensions (selected)

Company	Code	Since
Arrowhead Resources	AR1	9 Oct
Cudoco Ltd	CDU	28 Sep
Haoma Mining	HAO	18 Oct
Kinetiko Energy	KKO	5 Oct



<b>Germany</b>	Producer prices	Sep
<b>Euro zone</b>	Current account	Aug
Euro zone	Consumer confidence	Oct

### Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, [advice@stateone.com.au](mailto:advice@stateone.com.au).

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Lantern Hotel Group	LTN	2 Oct
Neurotech International	NTI	13 Oct
SIV Asset Management	SAM	10 Oct
SmartTrans Holdings	SMA	18 Oct
Stargroup Ltd	STL	19 Oct
UltraCharge Ltd	UTR	18 Oct
XPD Soccer Gear Group	XPD	11 Oct

### Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
<b>1AL</b>	Today	<b>3.5</b>	0	6.06
<b>AVG</b>	Today	<b>1</b>	100	2.35
NAC	Mon	2.5	100	4.78
NHC	Mon	6	100	4.95
SNC	Mon	3.5	100	6.70
MAI	Tue	0.75	100	2.50
REX	Tue	10	100	6.01
AKG	Wed	0.5	100	1.49
RIC	Wed	2.75	100	3.05
TRA	Thu	~2.32	100	0.00
CLV	Fri (27 Oct)	0.75	100	1.96
PMV	Fri (27 Oct)	27	100	4.04

### Reports & Events

(selected scheduled)

When	Company	Report/Event
<b>Today</b>	<b>ANN</b>	AGM
	<b>ARB</b>	AGM
	<b>BAP</b>	AGM
	<b>EVT</b>	AGM
	<b>IAG</b>	AGM
	<b>MQA</b>	Sep Q
	<b>SKC</b>	AGM
	<b>SYD</b>	Sep Q
<b>Mon</b>	ARG	AGM
	AGO	AGM
	EPW	AGM
	SAR	Sep Q
	SUL	AGM